

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 226 - SB 982**

March 6, 2021

**SUMMARY OF BILL:** Authorizes medical laboratory directors to monitor laboratory personnel remotely. Exempts a pharmacy possessing an active Clinical Laboratory Improvement Amendments of 1988 (CLIA) Certificate of Waiver and medical personnel employed by and performing testing at a private laboratory, from the *Tennessee Medical Laboratory Act*.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – \$292,100/FY21-22 and Subsequent Years/  
Medical Laboratory Board**

**Decrease State Expenditures – \$134,900/FY21-22 and Subsequent Years/  
Medical Laboratory Board**

**Other Fiscal Impact – It is unknown if there will be any changes in fees to accommodate the estimated decrease in revenue to the board. The Medical Laboratory Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020.**

**Assumptions:**

- Based on information provided by the Department of Health (DOH), there are currently 6,087 medical laboratory personnel licensed by the Medical Laboratory Board (MLB) and employed by privately-owned laboratories that would no longer be required to be licensed in this state.
- No longer issuing these licenses would result in a decrease in state revenue to the MLB.
- The biennial license fee for medical laboratory personnel is \$90.
- The recurring decrease in fee revenue to the MLB is estimated to be \$273,915 [(6,087 x \$90) / 2-year license].
- The DOH provides that in FY19-20 there were 363 initial applications for licenses and the fee for each application is \$50.
- No longer requiring the license for all medical personal would result in a recurring decrease in state revenue to the MLB of \$18,150 (\$50 fee x 363 applicants).
- The total recurring decrease in fee revenue to the MLB is estimated to be \$292,065 (\$273,915 license fee + \$18,150 applicant fees) in FY21-22 and subsequent years.

- The MLB will decrease staff by two administrative positions as a result of no longer issuing these licenses.
- The recurring decrease in expenditures to the MLB for the decrease in staff is estimated to be \$134,886 [(\$52,051 salary + \$15,392 benefits) x 2 positions] in FY21-22 and subsequent years.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Medical Laboratory Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

/lm